



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



JANUARY 25, 1999

**China Increases Soy Imports.** Due largely to low world prices, China was able to increase its volume of soybean imports by 11 percent during 1998, while spending 4.5 percent less for those imports, compared to 1997 figures, according to data provided by China's General Administration of Customs. Soybean imports rose to 3.19 million metric tons (MT), 1.75 million MT of which was provided by the United States. Despite being the largest supplier of soybeans, however, U.S. market share fell by 26 percent compared to 1997. Brazil's share of the Chinese soybean market, on the other hand, rose nearly 114 percent to 941,207 MT, due to the lower Brazilian prices. The data shows that the average customs-cleared value of Brazilian-origin soybeans imported by China was US\$253.71 per MT, compared to U.S.-origin soybeans, with an average value of \$254.95 per MT. According to one crop analyst, more than 10 percent, or 3 million MT, of Brazilian soybeans remain unsold, which is unusual for Brazil and an indication of low demand and producers hoping for increased prices. The U.S., the world's largest soybean producer, currently accounts for approximately 47 percent of world production, while Brazil, the second largest producer, accounts for nearly 20 percent. (*Bridge News, USDA*)

**Wheat Donations and Purchases.** A United Nations donation program is providing U.S. wheat to China in order to build Chinese grain bureau supplies and help the victims of last year's catastrophic flooding, according to a World Food Program (WFP) aide. In exchange for the 100,000 metric tons (MT) of U.S. wheat, the WFP will obtain 75,000 MT of rice from Chinese grain stocks. The wheat shipments are to be unloaded at China's mainland ports. However, wheat will be diverted to China's Hainan Island if problems with TCK smut (*tilletia controversa kuhn*) should arise. In 1974, U.S. commercial shipments were severely affected when China imposed a zero tolerance ban on U.S. wheat found to have TCK smut, a fungus found largely in wheat originating in the Pacific Northwest. Meanwhile, although the effects of the Brazilian economic crisis are still not clear, it is expected that it will not significantly influence Brazil's purchase of Canadian wheat. According to trade sources, Canadian sales may decrease by 100,000 MT during the 1998-1999, August-July, marketing year. Canada would normally provide annual shipments of 700,000 to 1 million MT of high-quality wheat to Brazil, which it blends with Argentine purchases and domestic output. Mike Jubinville of Pro Farmer Canada recently cited the tentative agreement between the U.S. and Brazil ending Brazil's import restrictions as one of a few factors which may limit Canadian sales. However, Jubinville also stated that Canada's high-consistency, high-quality wheat will help it to maintain its market presence in Brazil during the economic crisis. (*Reuters, Bridge News, USDA*)

**Norfolk Southern, CSX Ready To Close On Conrail.** Norfolk-based Norfolk Southern Railroad and Richmond-based CSX Corporation have announced that they will close the joint acquisition of Conrail by June 1, 1999. Having originally planned to complete the transaction by March 1, 1999, officials say the 3-month delay will allow both railroads additional time to provide seamless operations for customers and maximize employee and community safety. The railroads have, for the most part, completed the required capital improvement projects, customer service planning, and employee training and labor implementing agreements and are currently testing computer systems integration. The completed transaction will provide Norfolk Southern with 7,200 Conrail routes and a 21,600-mile rail system, serving 22 Eastern States, the District of Columbia, and the Province of Ontario. CSX, on the other hand, will obtain 4,000 miles of Conrail routes for a total rail system of 22,300 miles, serving 23 Eastern States, the District of Columbia, and Montreal and Ontario, Canada. (*Grainnet.com*)

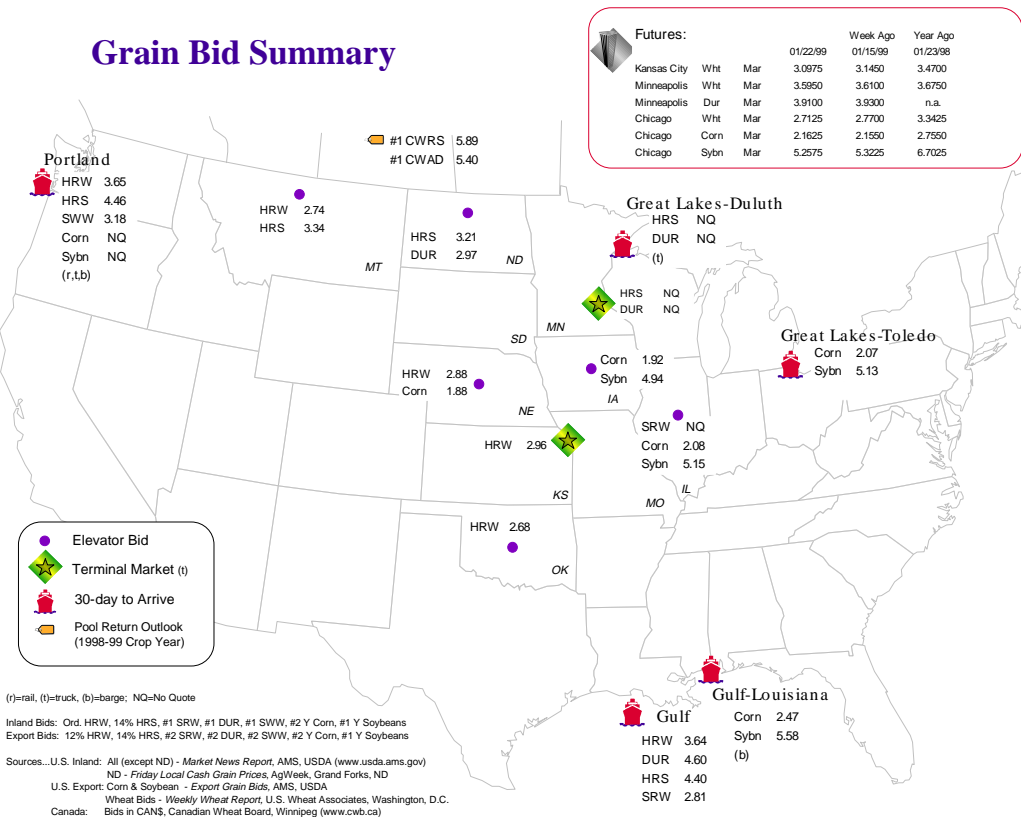
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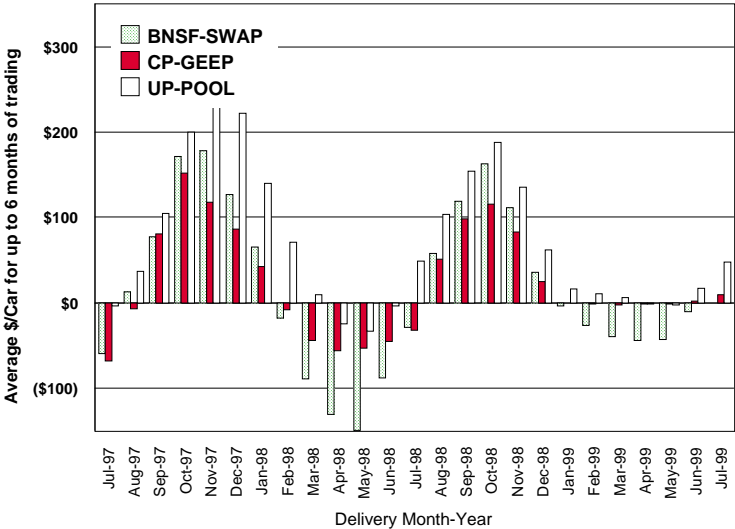
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## Grain Bid Summary

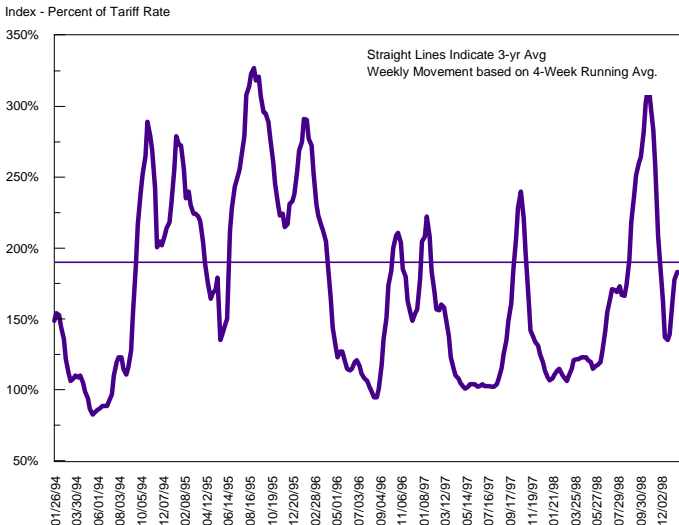


## Secondary Rail Market Bids



*See the Grain Trax page at [www.ugpti.org](http://www.ugpti.org) for more graphs of rail premiums*

## Spot Barge Rate - Illinois River



<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Feb-99		Mar-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	5,158	17%	5,764	7%
<b>UP-GCAS</b>	5,000	15%	5,000	10%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Jan-99	Feb-99	Mar-99	Apr-99
BNSF-GF	\$0	\$(75)	\$(76)	\$(75)
CP-GEEP	\$(21)	\$(21)	\$(1)	\$(1)
UP-Pool	\$(8)	\$(9)	\$(8)	\$(8)

Source: T&amp;M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only &amp; are NOT guaranteed prices, missing value=No Bid Quoted

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Feb-99	Mar-99	Apr-99
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	\$2	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values\***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
1/22/99	Illinois River	twk	165
	St. Louis	twk	120
	Lower Ohio River	twk	130

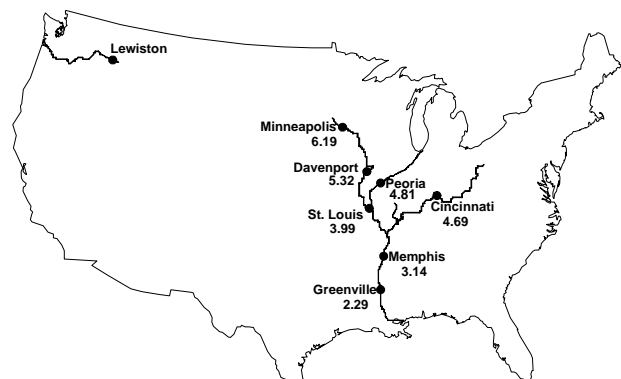
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week

nwk=next week

**Southbound Barge Freight Spot Rates**

	1/20/99	1/13/99	Feb. '98	Apr. '98
Twin Cities	nq	nq	nq	183
Mid-Mississippi	nq	nq	nq	151
Illinois River	164	187	159	142
St. Louis-Cairo	120	144	113	113
Lower Ohio	125	118	117	115
Cairo-Memphis	100	100	99	102

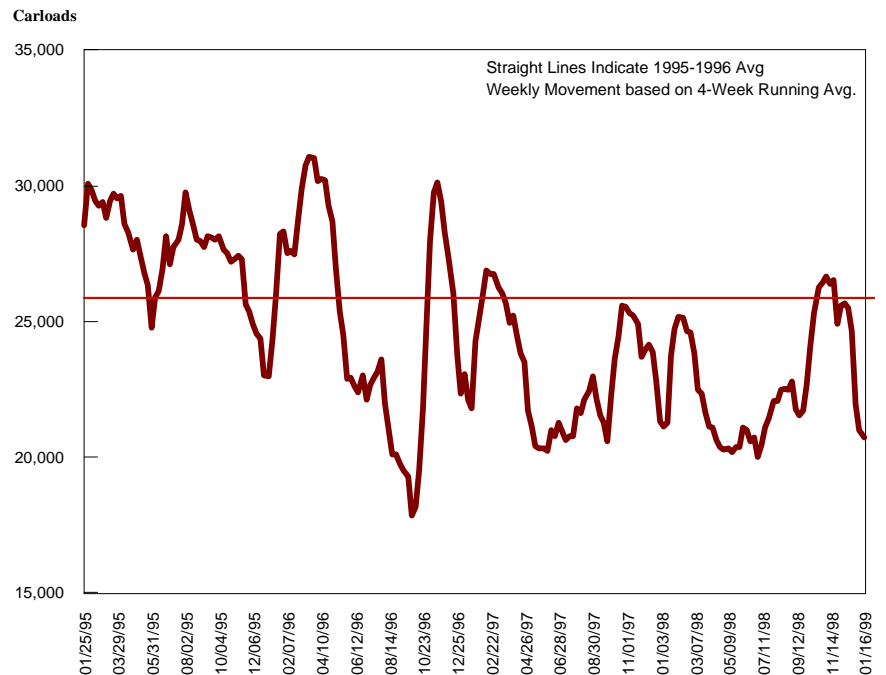
Source: Transportation & Marketing /AMS/USDA  
nq- no quote**Barge Benchmark Tariff Rates  
Est. 1976 - 'Tariff No. 7'**

## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
1/2/99	17,994
1/9/99	22,427
1/16/99	24,855
Year to Date - 1999	47,282
Year to Date - 1998**	49,457
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

\*\*1998 - 52 weeks

\* 1997 - 53 weeks



## Class I Rail Carrier Grain Car Bulletin

Carloads

	Conrail	CSXT	East		West		Canada	
			IC	NS	BNSF	KCS	CN	CP
01/16/99	657	3,017	1,157	2,032	9,105	895	1,483	3,114
This Week Last Year	932	2,582	1,087	2,747	8,955	593	2,646	3,864
1999 YTD	1,045	4,666	2,256	4,074	18,024	1,512	3,111	5,737
1998 YTD*	1,700	5,652	2,245	5,296	18,277	1,445	5,593	7,958
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	129,714	181,387

Source: American Association of Railroads

\*\*1998 - 52 weeks

\* 1997 - 53 weeks

## Tariff Rail Rates for Unit Train Shipments

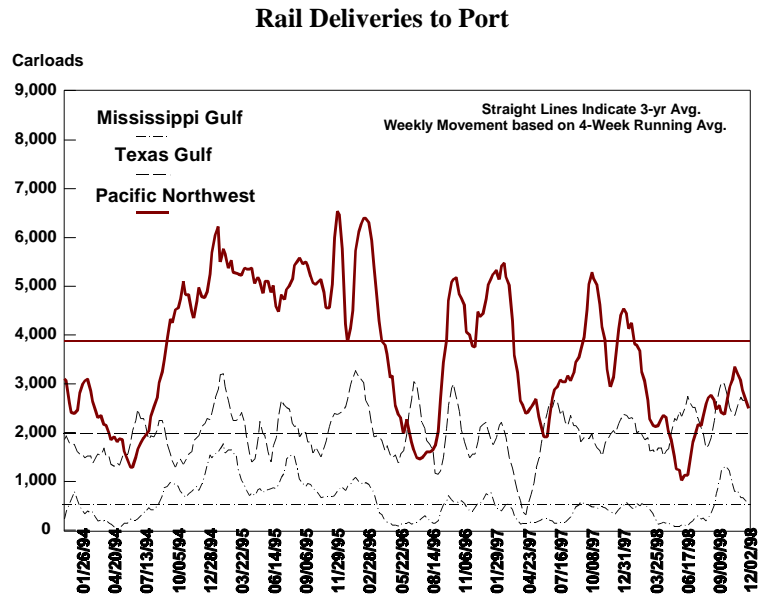
January 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
12/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,235	\$38.43	\$1.27
12/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
12/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
12/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
12/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
12/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
12/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
12/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
12/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

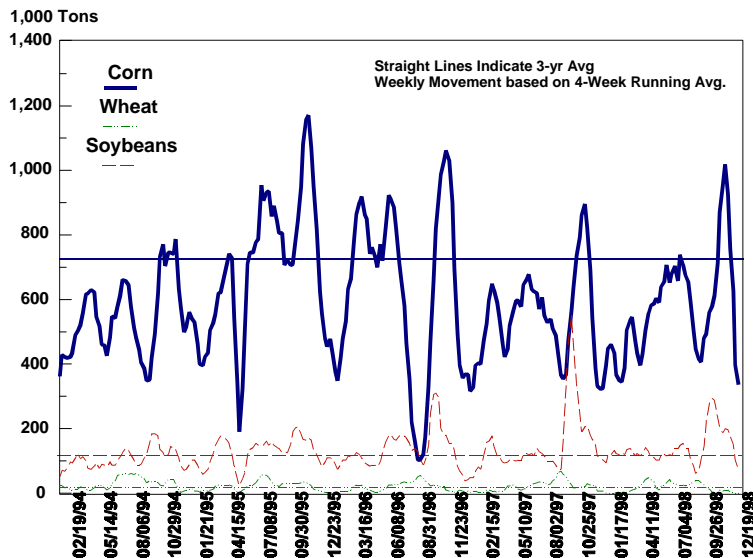
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/09/98	669	2,689	3,402	466
12/16/98	1,128	3,052	3,038	622
12/23/98	464	2,992	2,850	545
12/30/98	422	1,939	2,258	148
01/06/99	442	2,740	2,641	53
01/13/99	764	2,519	2,253	329
YTD 1999	1,206	5,259	4,894	382
YTD 1998	715	3,730	5,482	365
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



**\*Note:** Data prior to 12/30/98 has been revised. More recent data has been estimated.

## Barge Movements - Locks 27



## Barge Grain Movements

for week ending 01/16/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	190	0	18	208
Granite City, IL (L27)	231	0	29	263
Illinois River (L8)	89	3	8	97
Ohio (L52)	86	4	18	151
Arkansas (L1)	0	17	7	24
1999 YTD	711	23	240	1,122
1998 YTD	942	64	249	1,403
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

**U.S. Export Balances\*** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
01/14/99	1,499	188	865	433	233	3,218	7,845	3,961	15,024
This Week Year Ago	1,386	644	910	688	259	3,887	6,505	4,752	15,144
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	6,816	1,308	4,307	3,860	534	16,825	16,934	11,233	44,992
97/98 YTD	6,396	3,814	4,069	3,749	865	18,891	14,001	14,512	47,404
96/97 Total	2,595	1,643	1,432	1,240	361	7,271	43,991	24,273	75,535
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn &amp; Soybeans=9/01-8/31

**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
01/21/99	186	112	0	91	609	313	216	14	57
1999 YTD	593	334	0	242	1,678	1,262	534	29	153
1998 YTD *	531	4,373	651	5,048	31,330	14,917	7,270	562	1,392
% of Last Year	31%	33%	0%	38%	36%	25%	40%	48%	37%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

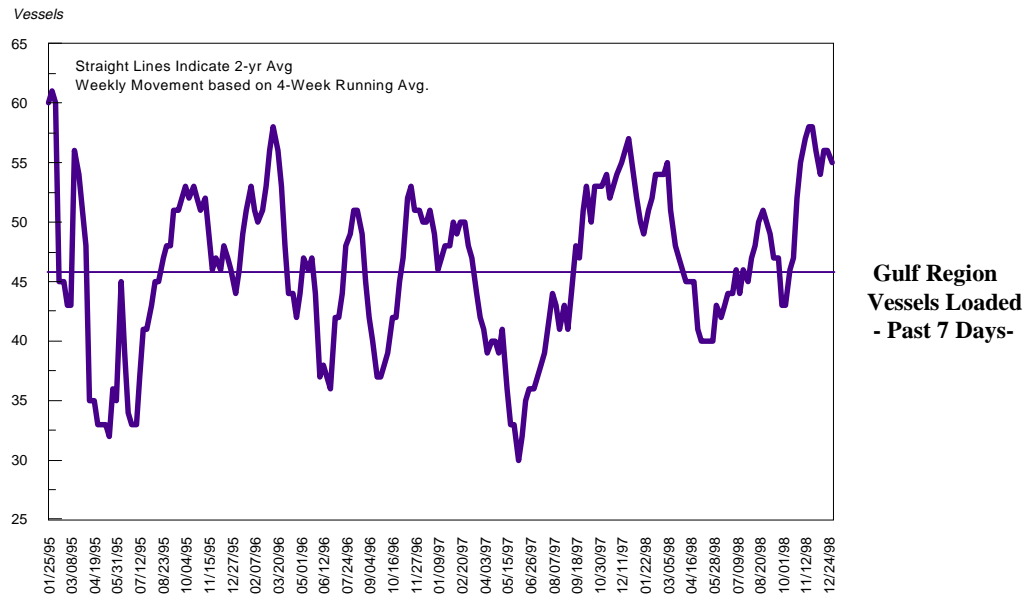
Source: Federal Grain Inspection Service \* YTD-Year-to-Date ('98 = 53 week period)

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

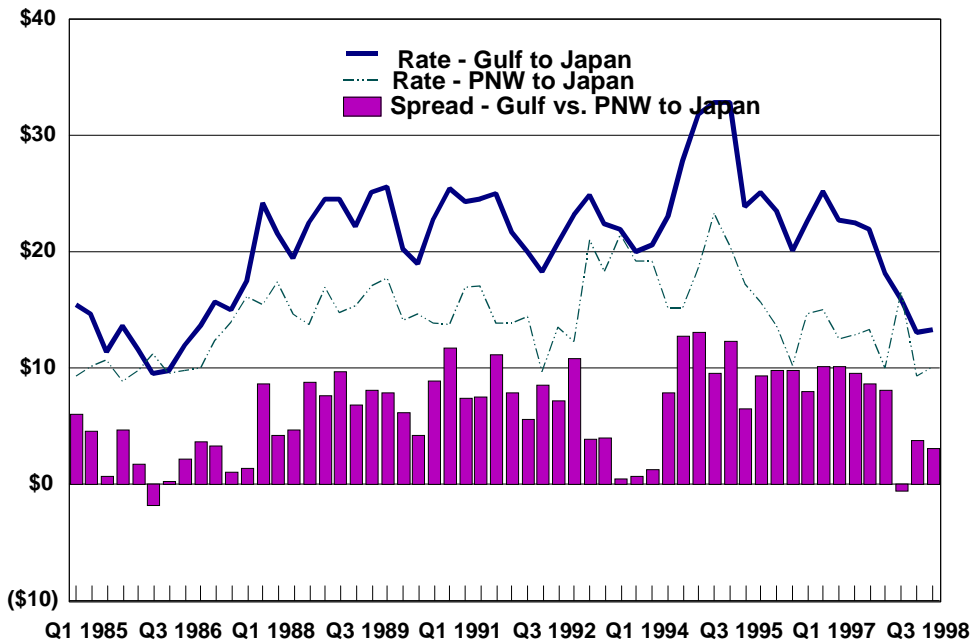
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 01/21/99			
Vancouver	2,204	318	165
Prince Rupert	797	6	0
Prairie Direct	358	195	70
Thunder Bay	295	93	141
St. Lawrence	957	703	0
1998 YTD Exports	4,920	1,325	376
1997 YTD Exports	8,680	1,996	1,298
% of Last Year	57%	66%	29%

Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
01/14/99	36	53	67	14			18	13	3
01/21/99	42	41	55	12			15	11	2
1998 Range	(19..62)	(34..64)	(40..93)						
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton

**Quarterly Ocean Freight Rates**

Average Rates &amp; Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1998 4 <sup>th</sup> Qtr	1997 4 <sup>th</sup> Qtr	% Change		1998 4 <sup>th</sup> Qtr	1997 4 <sup>th</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$13.33	\$22.01	-39%	Japan	\$10.17	\$13.34	-24%
Mexico	\$14.41	\$13.97	3%	Red Sea/ Arabian Sea		\$20.18	
Venezuela	\$10.87	\$13.59	-20%				
N. Europe	\$8.81	\$11.34	-22%	<b>Argentina to</b>			
N. Africa	\$15.26	\$14.80	3%	N. Europe	\$12.56	\$16.12	-22%
				Japan		\$23.23	

Source: Transportation &amp; Marketing/AMS/USDA

**Ocean Freight Rates (Select Locations) - week ending 01/23/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Egypt (Med.)	Heavy Grain	February	60,000	\$8.75
Gulf	So. Korea	Heavy Grain	Jan./Feb.	25,000	\$13.00
Gulf	Japan	Heavy Grain	Jan./Feb.	40,000/54,000	\$14.00-15.75
Gulf	Colombia	Corn	Prompt	22,000	\$15.75
PNW	Taiwan	Heavy Grain	March	54,000	\$8.48
PNW	Japan	Heavy Grain	February	54,000	\$9.15
Brazil	Turkey (Med.)	Grains	Jan./Feb.	20,000	\$15.60
River Plate/Necochea	Japan	Heavy Grain	April	50,000	\$13.25
Turkey	Pakistan	Wheat	January	55,000	\$11.25
France	Saudi Arabia	Barley	Spot	50,000	\$12.00

Source: Maritime Research Inc.